

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Wisconsin Energy Corporation for
Approval to Acquire the Outstanding Common Stock
of Integrys Energy Group, Inc.

Docket No. 9400-YO-100

**SURREBUTTAL TESTIMONY OF NILAKSH KOTHARI
ON BEHALF OF GREAT LAKES UTILITIES**

1 **Q. Please state your name, affiliation and business address.**

2 A. Nilaksh Kothari. I am the general manager of Manitowoc Public Utilities (MPU) and the
3 Administrative Manager of Great Lakes Utilities (GLU). My business address is 1303 S.
4 8th Street, Manitowoc, Wisconsin.

5 **Q. Did you previously submit testimony in this proceeding?**

6 A. Yes. I previously submitted direct testimony and rebuttal testimony on GLU's behalf.

7 **Q. What is the purpose of your surrebuttal testimony?**

8 A. I wish to comment on additional discovery filed by WEC after the submittal of my
9 rebuttal testimony as it pertains to the ATC-related conditions GLU and Commission
10 Staff have been proposing.

11 **Q. Please elaborate.**

12 A. In response to GLU data request No. 04-GLU-01 (PSC REF#: 232015), WEC has
13 indicated that a number of ATC's owners have discussed potential restructuring options
14 related to ATCLLC. One such option would involve "separating ATCLLC's traditional
15 transmission business in Wisconsin and adjacent states from its other assets." Under such
16 a restructuring, ATCMI would remain corporate manager of ATCLLC and ATCLLC's
17 "traditional transmission business" would not be impacted.

1 **Q. Why is any such potential restructuring of ATC significant?**

2 **A.** In my view, the possibility of restructuring ATC in order to insulate ATC's "traditional
3 transmission business" from other potential transmission investments that might be
4 undertaken by the company underscores the importance of increasing the diversity of
5 representation on the ATC Board, as GLU has proposed as a condition of this transaction.
6 In its response to data request No 04-GLU-02, WEC states that, if any such restructuring
7 is pursued, WEC would support applying equivalent restrictions on its voting authority in
8 the reorganized company as it has proposed in this proceeding (PSC REF#: 232016).
9 While I believe it is appropriate for the Commission to accept WEC's offer and make that
10 an additional condition should it approve the application, as I have already indicated in
11 my rebuttal testimony, those voting restrictions are insufficient, and additional conditions
12 are necessary to mitigate WEC's potential influence (both direct and indirect) on ATC
13 going forward. Extending such restrictions to a restructured ATC would likely be
14 beneficial to the non-WEC owners who transfer their existing ATC ownership interests to
15 the restructured company. For those owners who remain invested solely in ATC's
16 "traditional transmission business" (likely most of the municipal and cooperative
17 shareholders of ATC), having a more diversified representation on ATC's Board is a
18 more direct, definitive and concrete way of maintaining, to use Mr. Leverett's language,
19 the "independent and collaborative manner in which ATC has planned and managed the
20 transmission networks in Wisconsin and the Upper Peninsula of Michigan" (Rebuttal-
21 WEC-Leverett-3).

22 **Q. Does that conclude your surrebuttal testimony?**

23 **A.** Yes.